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State Overview

FEBRUARY UNEMPLOYMENT RATE RISES SLIGHTLY

The seasonally adjusted unemployment rate for February is 3.4 percent, up one-tenth of a percentage point from 3.3 percent in January. Idaho's unemployment rate is seven-tenths of a percentage point below the 4.1 percent rate recorded one year ago.

In contrast, the national unemployment rate in February was 4.8 percent, up a tenth from January but down six-tenths of a percentage point from February 2005.

During the first two months of this year, the number of workers with jobs in Idaho increased by over 16,100 to put employment at a record high 736,400, the 34th straight month employment has risen.

The significant employment increase in February is normal. Since 1978, employment has dropped only five times from January — in 1980, 1981, 1982, 1985 and 1990. The increase of 12,300 people this year ranked second in growth with the 17,200 increase in 2005. This is strong growth, showing the full effect of winter activity during one of the best snow seasons in years. There is also strong growth in construction, manufacturing, health care and professional and business services.

The number of people available to work rose in February to a record high 762,000, an increase of more than 15,800 from December. February was the 17th consecutive month showing growth in the labor force, and the portion of Idaho's adult population seeking work approached 70 percent last month, up more than a percentage point from January at a time when the national participation rate has been dropping. Over 35,000 more people were working in February than one year earlier.

Idaho's economic expansion is putting pressure on the state's existing labor force. It is still an employees' market. Businesses are scrambling to find the people they need. Strong population growth is adding to that pressure. Idaho was again the third fastest growing state in the nation last year and ranked among the top 10 states for in-migration from other states. There has been tremendous growth in retail following the population trend.

There were 1,100 more people unemployed in February. It was the first month since December 2002 that total unemployment has increased.

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Job increases so far this year have been across all segments of the economy. Construction remains strong in both the commercial and residential sectors. Retail trade lost a few temporary Christmas holiday and inventory jobs. But good snow conditions bolstered winter recreation, and call center activity continues to increase as well as other administrative and support services.

For the first time, no counties reported unemployment rates above 8 percent. Benewah County was the highest at 7.7 percent. Others above 7 percent were Boundary, Clearwater and Shoshone counties. In January, Clearwater, Benewah and Boundary counties were above 8 percent.

Unemployment rates at or below 3 percent in February occurred in 15 counties ranging from Latah, Lewis and Twin Falls counties at 2.9 percent to Owyhee County at 1.9 percent. There were 13 counties in that category in January while only five counties were at or under 3 percent in February 2005.

The report indicates economic improvements are being seen throughout the state. But seven counties experienced declines in the number of people working between February 2005 and February 2006, ranging from nearly 800 in Latah County to fewer than 20 in Benewah and Fremont counties. The decline in Latah County is related to budget cuts.

NONFARM PAYROLL JOBS

Job increases so far in 2006 have occurred in nearly all industries. As the population continues to grow as it did in 2005, the demand for goods and services increases. That, coupled with the new and expanding business, means an increase in the number of jobs and the number of people working.

During February the number of nonfarm payroll jobs increased by 7,200 to 618,900 — a 1.2 percent increase from January. While 400 jobs were gained in the goods-producing sector, 6,800 new jobs were added on the service side of the economy. Comparing February 2006 with February 2005, the service sector increased by 22,300 jobs while there were 7,200 more jobs in the goods-producing industries. The net year-over-year increase of 29,500 jobs represents a 5 percent growth. The 618,900 nonfarm jobs was a record for the month of February.

Education was the bright star in Idaho's job picture. The state added 2,200 education jobs while local governments added 1,300. Private schools and educational services added 600. Growth in education is not unusual in February with the new semester just starting at the colleges and universities, both public and private. Also, as funding permits, support staff in the local school districts are added in the new term. State-wide, 62,800 jobs were included in the education sector accounting for more than 10 percent of total nonfarm jobs.

Professional and business services contributed the most new jobs in the private sector service industries. About 600 new jobs in the administrative and support services area accounted for about half the growth. Temporary help agencies also added jobs as did business support services, which includes call centers. There were another 500 jobs in professional, scientific and technical services in February with the majority in accounting as the tax season got under way. The January to February growth in this industry is reflected in the year-over-year growth of 4,800, making this the fourth fastest growing industry.

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Retail trade experienced the largest loss of jobs in February, down 500 jobs to 76,500. The job loss is expected as the holiday shopping season and after-Christmas sales wrapped up and the demand for additional workers slowed. The good news is that there are 3,400 more jobs in February than a year earlier.

Leisure and hospitality businesses added 500 jobs in February, bringing the total to 58,800. About 200 of these were in accommodations and 300 in bars and restaurants. While this industry has seasonal shifts, the year-over-year change has been significant. Food and beverage services added 4,900 jobs since February 2005. As the economy improves, or as the public perceives it improving, people tend to eat out more often, creating a demand for more eating places and more jobs.

In addition, construction, health care and social assistance added a large number of jobs since February 2005. Construction was strong, expanding by another 6,500 jobs. The prime road and heavy construction period is still to come with the weather finally warming. Construction activity throughout the nation has benefited from low interest rates. In Idaho, however, construction employment has grown in response to continued population growth, expansion of retail centers and an increased demand for business and industrial park space.

Health care grew by 2,000 jobs from one year earlier. The strongest sector was ambulatory health care services, which include doctors' offices, laboratories, home health care and out-patient services.

The most significant job loss in the 12-month period was in food manufacturing, particularly in animal slaughtering and processing. Over the last 18 months, two major meat processors have closed their doors as a result of a slowdown in demand for beef. One plant was sold but the number of available jobs was cut to one-third. Additional job losses cannot be attributed to any one company or event but to scattered layoffs in the other sectors.

It is anticipated that the number of new jobs will continue to grow in March. As the seasons change, job activity also changes to meet the new demands. Idaho's economy continues to improve, thus stimulating job growth.

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State Table 1: February 2006 Labor Force (preliminary)				
Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Lewiston MSA	29,037	956	3.3	28,081
Nez Perce County	19,087	706	3.7	18,381
Asotin County, WA	9,950	250	2.5	9,700
Boise City-Nampa MSA	291,367	8,565	2.9	282,802
Ada County	193,902	5,188	2.7	188,714
Boise County	3,370	126	3.7	3,244
Canyon County	80,911	2,876	3.6	78,035
Gem County	7,766	269	3.5	7,498
Owyhee County	5,417	105	1.9	5,312
Pocatello MSA	44,857	1,586	3.5	43,271
Bannock County	40,692	1,413	3.5	39,280
Power County	4,165	173	4.2	3,992
Idaho Falls MSA	63,607	1,671	2.6	61,936
Bonneville County	52,515	1,356	2.6	51,158
Jefferson County	11,092	315	2.8	10,777
Coeur d'Alene MSA*	69,192	2,498	3.6	66,694
Burley MicSA	20,670	975	4.7	19,695
Cassia County	10,608	455	4.3	10,154
Minidoka County	10,062	520	5.2	9,541
Rexburg MicSA	22,586	582	2.6	22,004
Fremont County	6,883	246	3.6	6,637
Madison County	15,703	336	2.1	15,367
Twin Falls MicSA	55,011	1,591	2.9	53,420
Jerome County	11,648	327	2.8	11,321
Twin Falls County	43,363	1,263	2.9	42,099
Grangeville SLMA	8,867	460	5.2	8,407
Idaho County	7,108	409	5.7	6,700
Lewis County	1,759	51	2.9	1,708
Hailey SLMA	14,997	351	2.3	14,646
Blaine County	14,384	337	2.3	14,047
Camas County	614	14	2.3	600
Adams County	1,984	136	6.9	1,848
Bear Lake County	3,139	113	3.6	3,026
Benewah County	4,187	323	7.7	3,864
Blackfoot MicSA (Bingham County)	21,114	805	3.8	20,309
Bonner County	21,378	968	4.5	20,410
Boundary County	3,988	302	7.6	3,686
Butte County	1,214	64	5.2	1,150
Caribou County	3,436	159	4.6	3,277
Clark County	603	27	4.4	577
Clearwater County	3,284	247	7.5	3,037
Custer County	2,720	117	4.3	2,604
Mountain Home MicSA (Elmore County)	10,998	456	4.1	10,542
Franklin County	6,593	180	2.7	6,413
Gooding County	8,773	220	2.5	8,554
Moscow MicSA (Latah County)	17,240	494	2.9	16,746
Lemhi County	4,241	225	5.3	4,017
Lincoln County	2,727	97	3.6	2,629
Oneida County	2,362	53	2.2	2,309
Payette County	10,810	643	5.9	10,167
Shoshone County	5,991	426	7.1	5,565
Teton County	4,739	108	2.3	4,631
Valley County	5,041	195	3.9	4,846
Washington County	5,144	213	4.1	4,931
State of Idaho	761,950	25,554	3.4	736,396
Idaho Cities				
Boise	124,258	3,543	2.9	120,715
Caldwell	22,619	838	3.7	21,780
Coeur d'Alene	32,189	950	3.0	31,239
Idaho Falls	16,309	590	3.6	15,719
Lewiston	32,092	1,229	3.8	30,863
Meridian	29,227	895	3.1	28,332
Nampa	23,327	691	3.0	22,636
Pocatello	22,050	439	2.0	21,611
Twin Falls	15,704	631	4.0	15,073

* Coeur d'Alene MSA includes all of Kootenai County.

2005-2006 Economic Review and Outlook

A Poem by John Mitchell, U.S. Bank
Economist, Western Region

The upturn trudged on throughout year four,
Consumption and housing continued to soar.
Employment had regained its previous peak,
A May '03 trough then job growth deemed weak.

Crude oil prices reached an all time nominal high,
With buoyant demand and storm cut supply.
From Anchorage to Edmonton and Riyadh as well,
Oil producer's income continued to swell.

Katrina's a name now linked to shame,
Responding institutions were off their game.
Plants, platforms and infrastructure were destroyed
in her path,
While thousands lost all to nature's wrath.

We were better prepared when Rita came ashore,
But her disruptions and damage
were added to the score.
Heating and gas bills loom over this season,
Perhaps resulting in an energy policy based on reason.

Home prices soared like IPO's of old,
From Boston to Bakersfield, millions were sold.
No down, option ARMS and interest payments only,
Renters became a group quite lonely.

Saint Al has moved on to a different place,
It is a daunting task for Ben Bernanke to fill that space.
Energy, capacity and productivity growth
that may slow,
Will challenge the new Board to keep inflation low.

Short rates rose at a measured pace,
Quarter point jumps were fifteen times put in place.
Long rates were stubborn and for a while declined,
Weak business borrowing and foreign savings helped
keep them supine.

More income and jobs and investment that thrives,
Will keep the system going through year five.
Rates are still rising, but the pace will soon slow,
Amidst this aging expansion we will continue to grow.

Unfunded entitlements are coming home to roost,
Change proposals were floated to give the
system a boost.
The legacy of Skilling, Lay, Ebbers and others,
Have made private accounts not
most people's druthers.

In our hearts we all know that entitlements
must change,
But this polarized nation has no consensus
yet in range.
The first Boomers turned 60 and are savoring their fate,
Will we fix the system before it is too late?

House prices do not outpace income forever,
Will it end with a crash or gradually feather?
Most likely we will see a gradual slowing,
Some interest only speculators will have a lot
still owing.

Idaho again was the star of the region,
To this weirdly shaped state folks came in legion.
New homes grew faster than in almost any other state,
Jobs expanded at a three point six percent rate.

Tourists, call centers and even more cheese,
Tech, Tamarack and construction kept the
labor market squeezed.
Soaring property values rekindled the old
property tax debate,
The ghosts of the '70s were seen in the state.

Some slowing will unfold across the Gem State
Its growth will move closer to the national rate.
From Twin to McCall and on up to Pend Oreille,
Coping with growth will be the order of the day.

State Table 2: Nonfarm Payroll Jobs

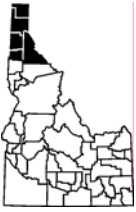
BY PLACE OF WORK	% Change From				
	Feb 2006*	Jan 2006	Feb 2005	Last Month	Last Year
Nonfarm Payroll Jobs**	618,900	611,700	589,400	1.2	5.0
GOODS-PRODUCING INDUSTRIES	111,200	110,800	104,000	0.4	6.9
Natural Resources & Mining	4,000	4,100	3,700	-2.4	8.1
Logging	1,800	1,900	1,900	-5.3	-5.3
Mining	2,200	2,200	1,800	0.0	22.2
Metal Ore Mining	600	600	600	0.0	0.0
Construction	44,800	44,300	38,300	1.1	17.0
Manufacturing	62,400	62,400	62,000	0.0	0.6
Durable Goods	40,100	40,000	39,100	0.3	2.6
Wood Product Manufacturing	7,700	7,700	7,300	0.0	5.5
Sawmills & Wood Preservation	2,500	2,600	2,600	-3.8	-3.8
Veneer & Engineered Products	1,700	1,600	1,500	6.3	13.3
Other Wood Product Manufacturing	3,500	3,500	3,200	0.0	9.4
Fabricated Metal Product Manufacturing	3,800	3,800	3,700	0.0	2.7
Machinery Manufacturing	2,700	2,600	2,600	3.8	3.8
Computer & Electronic Product Manufacturing	15,800	15,800	16,300	0.0	-3.1
Transportation Equipment Manufacturing	2,700	2,700	2,600	0.0	3.8
Other Durable Goods	7,400	7,400	6,600	0.0	12.1
Nondurable Goods	22,300	22,400	22,900	-0.4	-2.6
Food Manufacturing	14,300	14,400	14,800	-0.7	-3.4
Fruits & Vegetable Preserving & Specialty	6,900	6,900	7,000	0.0	-1.4
Paper Manufacturing	1,500	1,500	1,600	0.0	-6.3
Printing & Related Support Activities	1,800	1,800	1,900	0.0	-5.3
Chemical Manufacturing	1,800	1,800	1,900	0.0	-5.3
Other Nondurable Goods	2,900	2,900	2,700	0.0	7.4
SERVICE-PROVIDING INDUSTRIES	507,700	500,900	485,400	1.4	4.6
Trade, Transportation, & Utilities	123,200	123,500	117,700	-0.2	4.7
Trade	103,900	104,200	99,000	-0.3	4.9
Wholesale Trade	27,400	27,200	25,900	0.7	5.8
Wholesalers, Durable Goods	12,800	12,700	12,100	0.8	5.8
Wholesalers, Nondurable Goods	12,300	12,200	11,600	0.8	6.0
Retail Trade	76,500	77,000	73,100	-0.6	4.7
Motor Vehicle and Parts Dealers	11,700	11,700	11,200	0.0	4.5
Building Material and Garden Equipment	9,000	8,800	7,900	2.3	13.9
Food & Beverage Stores	12,100	12,100	11,700	0.0	3.4
General Merchandise Stores	16,500	16,800	15,400	-1.8	7.1
Transportation, Warehousing, & Utilities	19,300	19,300	18,700	0.0	3.2
Utilities	1,900	1,900	1,900	0.0	0.0
Transportation & Warehousing	17,400	17,400	16,800	0.0	3.6
Rail Transportation	1,100	1,100	1,100	0.0	0.0
Truck Transportation	8,900	8,800	8,500	1.1	4.7
Information	11,000	11,000	10,800	0.0	1.9
Telecommunications	4,600	4,600	4,300	0.0	7.0
Financial Activities	30,800	30,600	28,500	0.7	8.1
Finance & Insurance	22,600	22,400	20,900	0.9	8.1
Real Estate & Rental & Leasing	8,200	8,200	7,600	0.0	7.9
Professional & Business Services	77,700	76,400	72,900	1.7	6.6
Professional, Scientific, & Technical	31,600	31,100	30,400	1.6	3.9
Scientific Research & Development	7,600	7,600	7,700	0.0	-1.3
Management of Companies & Enterprises	7,900	7,800	7,700	1.3	2.6
Administrative & Support & Waste Management	38,200	37,500	34,800	1.9	9.8
Administrative & Support Services	36,500	35,900	33,600	1.7	8.6
Educational & Health Services	69,900	69,000	67,600	1.3	3.4
Educational Services	8,700	8,100	8,400	7.4	3.6
Health Care & Social Assistance	61,200	60,900	59,200	0.5	3.4
Hospitals	13,300	13,300	13,200	0.0	0.8
Leisure & Hospitality	58,800	58,300	53,900	0.9	9.1
Arts, Entertainment, & Recreation	9,000	8,800	7,000	2.3	28.6
Accommodation & Food Services	49,800	49,500	46,900	0.6	6.2
Accommodation	9,200	9,000	7,600	2.2	21.1
Food Services & Drinking Places	40,600	40,500	39,300	0.2	3.3
Other Services	18,200	18,000	18,100	1.1	0.6
Total Government	118,100	114,100	115,900	3.5	1.9
Federal Government	11,600	11,600	12,100	0.0	-4.1
State & Local Government	106,500	102,500	103,800	3.9	2.6
State Government	30,100	27,800	29,800	8.3	1.0
State Government Education	14,900	12,700	15,000	17.3	-0.7
State Government Administration	15,200	15,100	14,800	0.7	2.7
Local Government	76,400	74,700	74,000	2.3	3.2
Local Government Education	40,700	39,400	39,600	3.3	2.8
Local Government Administration	32,800	32,300	31,600	1.5	3.8
Local Government Tribes	2,900	3,000	2,800	-3.3	3.6

*Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 3: Economic Indicators

	Feb 2006	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
Seasonally Adjusted					
Civilian Labor Force	762,000	748,600	731,500	1.8	4.2
Unemployment	25,600	24,500	30,100	4.5	-15.0
Percent of Labor Force Unemployed	3.4	3.3	4.1		
Total Employment	736,400	724,100	701,400	1.7	5.0
Unadjusted					
Civilian Labor Force	757,100	743,200	729,400	1.9	3.8
Unemployment	32,800	32,700	38,300	0.3	-14.4
Percent of Labor Force Unemployed	4.3	4.4	5.3		
Total Employment	724,300	710,500	691,100	1.9	4.8
U. S. UNEMPLOYMENT RATE ⁽²⁾	4.8	4.7	5.4		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	194.2	194.0	187.3	0.1	3.7
All Urban Consumer (CPI-U)	198.7	198.3	191.8	0.2	3.6
AGRICULTURE					
Agriculture Employment	34,580	33,940	33,500	1.9	3.2
Operators	9,740	9,740	9,740	0.0	0.0
Unpaid Family	360	360	360	0.0	0.0
Hired Workers	24,480	23,840	23,400	2.7	4.6
UNEMPLOYMENT INSURANCE					
Claims Activities					
Initial Claims ⁽³⁾	7,750	11,826	8,499	-34.5	-8.8
Weeks Claimed ⁽⁴⁾	75,362	98,063	88,130	-23.1	-14.5
Benefit Payment Activities⁽⁵⁾					
Weeks Compensated	63,770	79,127	77,288	-19.4	-17.5
Total Benefit \$ Paid	\$15,109,875	\$18,821,194	\$17,764,052	-19.7	-14.9
Average Weekly Benefit Amount	\$236.94	\$237.86	\$229.84	-0.4	3.1
Covered Employers	47,323	47,043	44,450	0.6	6.5
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$127,653,452	\$130,307,628	\$144,289,023	-2.0	-11.5
(1) Preliminary Estimate					
(2) Source: U.S. Bureau of Labor Statistics					
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims					
(4) Includes all entitlements/programs, Intrastate and Interstate Agent					
(5) Includes all entitlements/programs, Total Liable Activities					



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

In Kootenai County, February and January generally take turns posting the lowest employment during the year. This year, January won the dubious honor as employment, unadjusted for seasonal factors, slipped to 63,570. Bolstered by continued expansion of construction, educational services and health care, employment rose slightly to 64,640 in February.

Although Kootenai County's economy is not likely to continue growing at the record-breaking rates of the last two years, it appears set to enjoy significant job gains in 2006. Construction remains higher than it was at the same time last year, although it is likely to slow toward the end of 2006. Manufacturers plan to add a couple of hundred jobs this year, possibly more, as do call centers. The tourism industry is primed for its best season ever. With population growing at its fastest clip in 10 years, tourism expanding and a surge in summer residents, retail and service payrolls should also expand.

Kootenai County also will benefit from the expansion of neighboring counties in Idaho. Shoshone and Bonner counties will again probably see the biggest jobs gains in the region as they did in 2005. With the price of silver more than double two years ago and growing interest in housing, Shoshone County seems sure to be a winner in 2006. Bonner County's construction and real estate booms in percentage terms are even hotter than Kootenai County's, and its manufacturers and corporate headquarters continue to expand at impressive rates. In Boundary County, tourism is on the rise, especially after last year's expansion of the Kootenai River Inn. The new owner of the former CEDU schools, Idaho Educational Services, is gradually increasing employment at the three schools for troubled teens that were abruptly shut down a year ago by the

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Feb 2006*	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	69,190	67,410	64,060	2.6	8.0
Unemployed	2,500	2,490	2,910	0.4	-14.1
% of Labor Force Unemployed	3.6	3.7	4.5		
Total Employment	66,690	64,920	61,150	2.7	9.1
<i>Unadjusted</i>					
Civilian Labor Force	68,180	67,120	63,460	1.6	7.4
Unemployed	3,540	3,550	4,110	-0.3	-13.9
% of Labor Force Unemployed	5.2	5.3	6.5		
Total Employment	64,640	63,570	59,350	1.7	8.9
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	51,460	51,010	49,020	0.9	5.0
<i>Goods-Producing Industries</i>					
Natural Resources & Mining	440	460	370	-4.3	18.9
Construction	5,130	5,120	4,500	0.2	14.0
Manufacturing	4,620	4,640	4,390	-0.4	5.2
<i>Wood Product Manufacturing</i>	980	960	1,000	2.1	-2.0
<i>Other Manufacturing</i>	3,640	3,680	3,390	-1.1	7.4
<i>Service-Providing Industries</i>					
Trade, Transportation, & Utilities	9,480	9,490	9,060	-0.1	4.6
<i>Wholesale Trade</i>	1,430	1,400	1,280	2.1	11.7
<i>Retail Trade</i>	7,090	7,110	6,840	-0.3	3.7
<i>Transportation, Warehousing & Utilities</i>	960	980	940	-2.0	2.1
Information	980	1,010	1,050	-3.0	-6.7
Financial Activities	2,800	2,790	2,480	0.4	12.9
Professional & Business Services	5,660	5,610	5,700	0.9	-0.7
Educational & Health Services	5,530	5,390	5,180	2.6	6.8
Leisure & Hospitality	5,860	5,800	5,680	1.0	3.2
Other Services	1,480	1,440	1,380	2.8	7.2
Government Education	3,800	3,550	3,730	7.0	1.9
Government Administration	5,040	5,070	4,910	-0.6	2.6
Government Tribes	640	640	590	0.0	8.5

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Brown Schools Enterprises. Those developments should make for employment gains in Boundary County in 2006 after two years of no growth. Although 2004 and 2005 were discouraging, it actually was amazing that the county managed to hold its own after losing two of its largest employers — the Louisiana-Pacific mill in Bonners Ferry and CEDU — between the summer of 2003 and the spring of 2005. Benewah County will see more construction activity this year than it has seen ever. If lumber and plywood prices do not slide, retail and services are expected to pick up, and the county can always count on the Coeur d'Alene Tribe to add a dozen or so jobs.

AREA DEVELOPMENTS

Benewah County

- The city of Plummer, whose population declined from 990 in 2000 to 962 in 2005, is another Panhandle community anticipating a population surge. Since New Year's, the city has heard proposals for four new housing developments. One will go up immediately on 140 acres just south of the current city limits if the city annexes the area. Another project that depends on annexation is a 27-acre development, which may include a business park, along Highway 95 north of the current city limits. One of the most recent proposals calls for building 480 houses in four phases of 120 each. Rising housing and land prices in Coeur d'Alene and Spokane, which both are about 40 miles away, have greatly increased the attractions of Benewah County's more affordable market. In addition, the commute is becoming easier as a result of ongoing improvements along U.S. Highway 95 between Plummer and Coeur d'Alene and the free bus service provided by the Coeur d'Alene Tribe from Tensed and Plummer to Coeur d'Alene and Post Falls.
- The Idaho Legislature gave Heyburn State Park \$2.2 million to make improvements. Heyburn State Park, which will celebrate its 100th anniversary in 2008, is the oldest park in the Pacific Northwest. It includes 5,500 acres of land and 2,300 acres of water in three lakes—Chatcolet, Benewah and Hidden. The shadowy St. Joe River meanders along the park's eastern boundary. For bikers and walkers traveling all 79 miles of the Trail of the Coeur d'Alenes between Plummer and Mullan, Heyburn is the beginning or end of the trail. Among the proposed changes at the park are overdue maintenance, construction of a visitors center at Chatcolet, building log cabins and renovating and reopening the Rocky Point Lodge for overnight guests.

Bonner County

- Bonner County commissioners recently approved expansion of Hidden Lakes Golf Resort, a 1,600 acre development eight miles east of Sandpoint near Lake Pend Oreille. The Hidden Lakes expansion will include up to 300 new housing units and replacement of the existing 18-hole golf course with one designed by golf legend Jack Nicklaus. Hidden Lakes already had approval for 171 housing units, bringing the total to 471.
- Five local governmental entities in the greater Sandpoint area recently received a \$271,000 Local Highway Technical Assistance Council grant to develop a comprehensive transition plan. The cities of Dover, Sandpoint, Kootenai and Ponderay will work with the

Independent Highway District to develop and prioritize road projects. The city of Sandpoint will serve as the grant's administrator.

- Construction recently began on the fourth building at the Seasons at Sandpoint development on the north shore of Lake Pend Oreille in downtown Sandpoint. Developer Bella Vista Group Inc. of Tampa, Fla., says the 42-unit building probably will be completed by May 2007. The condos are expected to sell for \$500,000 to \$1.4 million each. The development's clubhouse is slated to open in late May. The other two buildings nearing completion contain 30 condominium units in total. Bella Vista expects the development eventually will contain eight condominium buildings.
- Harrison Dock Builders recently announced that it will relocate from Florence, Ore., to Bonner County. The company specializes in building commercial and residential docks. It is expanding its sales region throughout Idaho, Washington, Oregon, Montana and western Canada. Its manufacturing operations will move to downtown Priest River while its water operations, including a tug and a crane barge, will operate on Lake Pend Oreille. Harrison Dock Builders is owned by the same company that owns Eagle Marine Supply in Sagle, a community on Lake Pend Oreille 10 miles south of Sandpoint. It identified Bonner County as a strategic location for its regional business based on the success of Eagle Marine Supply. Its retail store at Sagle sells boat lifts, floating docks, dock ramps, dock accessories and related products while meeting the needs of wholesale customers throughout the Inland Northwest. Eagle Marine Supply will expand its services once Harrison Dock Builders relocates. The new company expects to hire 15 to 20 people with experience in manufacturing, welding, driving piles, captaining boats and installing docks.
- Mitchell's Harvest Foods recently celebrated the completion of the expansion and remodeling of its store in Priest River. Construction, which began last fall, included café-style seating near the bakery/deli area with a fireplace creating a warm ambience. The expansion allowed the grocery store to enlarge its selection of items, microbrews and wines and introduce \$1 items including greeting cards, household goods and gift items.
- John Connors, who gained restaurant experience in Japan, recently opened Sunny Sushi, a restaurant specializing in sushi in Sandpoint. The restaurant is open from 11 a.m. to 2 p.m. on Fridays and Saturdays.

Boundary County

- Bonners Ferry recently welcomed a new addition to its downtown business community. Heather Foster's

Photo is a one-hour photo shop offering digital developing and reprints.

Kootenai County

- Kootenai Medical Center, the largest employer in the Panhandle with 1,650 employees, plans to continue its expansion. It currently is completing the remodel of all its patient rooms, the lobby and other common areas. It plans to spend \$200 million over the next 10 years to expand the hospital. One of its first projects will be construction of a \$12 million building to house accounting, social services, human resources, purchasing, the sleep lab and other support services. Last fall, the hospital completed construction of a 400-space parking garage. It is planning a second new garage before 2016. The hospital will spend about \$118 million to replace the original 1966 structure and create more clinical space. The final phase will be construction of new physician office buildings.
- With the population around Athol growing quickly, Cindy Peterson and her sister-in-law Linda Peterson decided the city of 700 residents needed a grocery store. Last August, they opened the Little Town Market to offer basics that locals might need between trips to the nearest supermarket 20 miles south on U.S. Highway 95 in Hayden. In addition to milk, eggs, fresh produce and other staples, the market sells beer, wine, live bait and flowers. It shares a brand new building with Big Boyz Toyz, run by the husbands of the grocery's founders, Terry Peterson and Rodger Peterson. Big Boyz Toyz repairs and sells snowmobiles, motorcycles, ATVs and related accessories.
- New business is booming in Coeur d'Alene. Textures at 107 Second St. sells paintings, hand-decorated glassware and custom clothing and jewelry created by owner Shannon Erwin. Syringa Japanese Café & Sushi Bar is located in the former Tartan Café at 1401 N. Fourth St. Boucle's, a yarn store, recently opened at 116 N. Fourth St. A new full-service branch of Mountain West Bank at 1715 Kathleen Ave. offers personal banking in comfortable surroundings with special cash-handling technology. Shoppes of Harmony offers dolls, pottery, ceramics and a wide variety of other gift items and shopping services at 205 Indiana Ave. Rapid Sports at 6288 N. Government Way sells kayaks, rafts and accessories for whitewater and fishing enthusiasts. The Beacon is a 3,200-square-foot pub at 325 Sherman Ave. next to its sister business, the Brix Restaurant & Night Club.

Shoshone County

- The new phrase for "speedy" in Shoshone County could become "faster than Silver Mountain sells condos." When Silver Mountain Resort in Kellogg first

offered condominium units built near its ski area's Morning Star Lodge two years ago, the condos sold within five days, astonishing experts with the speed of the sale. The second phase offered last year sold out in one day and so did the third phase which was offered April 8. It involves 99 condominium units, which are still under construction. The long-term plan for Silver Mountain includes an indoor water park that is slated to open in spring 2007, an 18-hole golf course near the gondola base and further expansion of the ski area and its trails.

- U.S. Silver Corp. recently purchased the 53-year-old Galena Mine from Coeur d'Alene Mines Corp. for \$13 million. U.S. Silver Corp., based in Wallace, was formed specifically to acquire the 11,000 acres that contain Galena and the former Coeur mine and ore mill. It expects to keep the 180 Galena miners after the sale closes on June 1. The new owner is heartened by rising prices for zinc and copper, which are by-products of the Galena operation, as well as the 23-year-high price for silver, which recently rose over \$12.50 an ounce. Last year, the Galena produced 2.1 million ounces of silver. U.S. Silver plans to spend heavily on exploration, believing the mine has the potential to produce a few million more ounces per year. The Galena currently is the county's third largest private employer.
- Wal-Mart recently broke ground on a 99,667 square-foot supercenter with retail, grocery and gardening segments just outside Smelterville south of Interstate 90. The 13.2-acre site will contain a 584-space parking lot and may include a gas station. The Wal-Mart store, Shoshone County's first big-box store, will open in early 2007.
- Beehive Homes opened an assisted living center in Pinehurst in March. Residents of the retirement community receive 24-hour care, three meals a day and opportunities for exercise classes, excursions, recreational activities and performances. Each unit has a private bedroom with a bathroom. When the current building is full, about 15 people will live there, and 15 staff members will care for the residents. Once the first building is full, a second building will be constructed.

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North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate in February remained at January's rate of 3.3 percent as shown in North Central Idaho Table 1. In February 2005 the rate was 5.1 percent. Year-over-year there was a decrease of only 30 jobs.

SPECIAL TOPIC: Housing Costs

Since 2002, the average price of a home has risen by 55 percent in Moscow to \$198,790. Some of the increase is attributed to the lack of available housing in the city. The rising prices have buyers branching out to Troy, Genesee and Potlatch in search of more affordable homes. In Lewiston, the average price for a home has climbed 29 percent to \$142,953. Asked who is acquiring homes in north central Idaho, realtors say "baby boomers, second-home buyers and retirees." According to real estate agents, some baby boomers are moving to the region in preparation for retirement. They spend a few years telecommuting to their former jobs two or three days a week before leaving the work force entirely. A domino effect moves prices higher as California residents snap up real estate in western Washington and northern Idaho that is cheap compared with prices in their markets, says Glenn Crellin, director of the Washington Center for Real Estate Research at Washington State University in Pullman. Someone might sell a home for \$600,000 in California, then turn around and buy three homes in Idaho for \$200,000 each. Given the high prices in other markets nationally, it's unlikely that prices in north central Idaho or southeastern Washington will drop. Statistics are backing up the notion that north central Idaho is becoming a retirement area. The population of those who are at or nearing retirement is growing faster in this region than anywhere in the state. Since 2000, the

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Feb 2006*	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	29,040	28,690	29,500	1.2	-1.6
Unemployment	960	940	1,500	2.1	-36.0
% of Labor Force Unemployed	3.3	3.3	5.1		
Total Employment	28,080	27,750	28,000	1.2	0.3
<i>Unadjusted</i>					
Civilian Labor Force	29,330	29,000	30,010	1.1	-2.3
Unemployment	1,250	1,270	1,980	-1.6	-36.9
% of Labor Force Unemployed	4.3	4.4	6.6		
Total Employment	28,080	27,730	28,030	1.3	0.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,560	26,270	26,590	1.1	-0.1
<i>Goods-Producing Industries</i>	4,210	4,230	4,280	-0.5	-1.6
Natural Resources & Mining	210	220	190	-4.5	10.5
Construction	1,120	1,100	1,220	1.8	-8.2
Manufacturing	2,880	2,910	2,870	-1.0	0.3
Wood Product Manufacturing	550	550	530	0.0	3.8
Food Manufacturing	20	20	50	0.0	-60.0
Paper Manufacturing	1,090	1,090	1,130	0.0	-3.5
Other Manufacturing	1,220	1,250	1,160	-2.4	5.2
<i>Service-Providing Industries</i>	22,350	22,040	22,310	1.4	0.2
Trade, Transportation & Utilities	5,360	5,360	5,360	0.0	0.0
Wholesale Trade	660	640	670	3.1	-1.5
Retail Trade	3,400	3,440	3,430	-1.2	-0.9
Utilities	80	80	90	0.0	-11.1
Transportation & Warehousing	1,220	1,200	1,170	1.7	4.3
Information	400	430	420	-7.0	-4.8
Financial Activities	1,830	1,820	1,880	0.5	-2.7
Professional & Business Services	1,560	1,540	1,530	1.3	2.0
Education & Health Services	4,500	4,460	4,460	0.9	0.9
Leisure & Hospitality	2,300	2,290	2,350	0.4	-2.1
Other Services	1,090	1,080	1,110	0.9	-1.8
Government Education	2,430	2,370	2,520	2.5	-3.6
Government Administration	2,200	2,010	1,970	9.5	11.7
Government Tribes	680	680	710	0.0	-4.2

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

number of north central Idaho residents age 55 and older has grown by 14 percent and is anticipated to continue increasing by 3 percent a year. But what's good for investors and retirees doesn't necessarily help wage earners. Pay is not keeping up with housing costs. In Nez Perce County, the average household income rose about 9.5 percent to \$49,224 from 2000 to 2005. In Latah County, wages grew even more slowly between 2000 and 2005, increasing 5.5 percent to \$44,594.

AREA DEVELOPMENTS

Clearwater County

- Clearwater Valley Hospital and St. Mary's Hospital in Cottonwood have been awarded \$289,369 to help digitize radiology images so they can be sent over the phone lines and be stored in the patient's electronic medical record. According to health care officials, this new technology will greatly enhance rural health care.

Idaho and Lewis counties

- The former Idaho County Nursing Home building is undergoing renovation after standing vacant nearly a year. Syringa General Hospital is renovating the space to be a new medical clinic, which will open in June as the hospital adopts a new philosophy. Hospital Administrator Jess Hawley said the changing attitudes of doctors prompted the decision to hire a staff physician for the hospital-based clinic rather than continue relying on working relationships with private doctors in the area. Young doctors, Hawley said, "don't want to be providing a service, practicing medicine and running a business on the side." Many are looking for a position on a hospital staff — a change in strategy for Syringa. In addition, a hospital-based rural clinic is able to receive higher reimbursement rates from Medicare and Medicaid than a private clinic, Hawley said. And the hospital-based clinic will be available to those who are otherwise turned away. This Medicare feature is designed to provide better access in rural areas. It is cheaper to pay a hospital clinic than use the emergency room regularly. The clinic will open with one physician, nurses and support staff. Eventually a nurse practitioner or physician's assistant will be added.

Latah County

- BioTracking, a business started in 1994, is growing in Moscow. The 1,000-square-foot laboratory tests blood samples to determine if cows are pregnant. BioTracking is an example of technology transfer from the University of Idaho to private markets. A research team at the university was searching for a hormone that signals pregnancy in cows and other cud-chewing animals. While it did not discover the hormone, it did find a protein, Pregnancy-Specific Protein B. They were the first to make the discovery. The university took out a patent on the protein in the lead researcher's name and licensed it to him. His team's findings were published in 1985, and in 1994 he and his wife capitalized on the discovery and started marketing the protein. The market was wide open. No one else had the technology or knowledge to do it. The couple applied for a federal Small Business Innovative Research Program grant and received \$6,000. During 1994, they tested 3,000

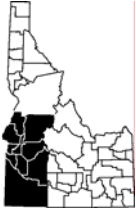
animals for private elk ranches, fish and game agencies and universities. In 1995, they got \$30,000 through a small business program grant. But it wasn't until articles about their technique were published in trade and veterinary journals that the company's name shot across the industry. The pregnancy test is fast and saves the cow's owner money. Currently, BioTracking has seven affiliated labs that purchase the test kits, one as far away as Budapest, Hungary.

- The University of Idaho has won an \$8.3 million settlement from lawsuits stemming from University Place. "I am one happy guy today," University President Tim White said. "It allows everybody who is involved in the university and who cares about the university to move on with new trust and pride and confidence." The trouble began in 2002 when the school and its foundation used unauthorized loans from investment accounts to finance pre-development of the University Place project. The project, which was supposed to create a satellite campus in Boise, was to anchor the university's presence in the state capital. The \$136 million project failed after only one building, the Idaho Water Center, was authorized. The project left the foundation more than \$25 million in debt. While the settlement closes one chapter of the University Place saga, the foundation remains involved in a separate civil action against Civic Partners, the developers for the project.

Nez Perce and Asotin, Wash., counties

- It will be another season of waiting for about 45 laid-off employees of Twin City Foods in Lewiston and the farmers who have grown peas for the company. "Right now our inventories dictate to us that we simply do not have the need to run it," said Mike Weiss, plant manager of the Lewiston division of Twin City Foods. This will be the second consecutive year Twin City Foods has not processed peas in Lewiston. The decision about 2007 will be made this fall at the earliest following the pea harvest, Weiss said. Two sizable harvests of peas in 2003 and 2004 left Twin City Foods with volumes of peas higher than any point in its history. Flat consumer demand for peas has forced Twin City Foods to compensate by growing less. Peas from 2004 remain in the Lewiston cold storage warehouse, where a skeletal staff of five hourly and two management employees work, Weiss said.

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Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for the Boise-Nampa Metropolitan Statistical Area for February was 3 percent, up two-tenths of a percentage point from January's revised rate of 2.8 percent. Still, February's rate was three-quarters of a percentage point below February 2005's rate. The slight increase from January signaled a labor market that fell short of accommodating another influx of people seeking work. There were 3,700 more people working in February than in January, up 1.3 percent, but the labor force grew by 4,400 to push the unemployment rate higher. These new job seekers are either from outside the area and entering the labor force for the first time or previously discouraged workers who have been reenergized by the strengthening economy. A 3 percent unemployment rate, however, is still extremely low, and the fact that new job seekers are entering the labor market is a positive sign for employers seeking additional manpower.

Southwestern Idaho Table 2: February 2006
Seasonally Adjusted Labor Force Figures for Southwestern Idaho Counties

	Civilian Labor Force	Number Unemployed	Percent Unemployed	Number Employed
Ada	194,142	4,938	2.5	189,204
Adams	1,796	138	7.7	1,658
Boise	3,377	125	3.7	3,252
Canyon	80,818	2,529	3.1	78,290
Elmore	10,407	423	4.1	9,984
Gem	7,727	256	3.3	7,471
Owyhee	5,515	92	1.7	5,422
Payette	10,845	612	5.6	10,234
Valley	4,770	181	3.8	4,589
Washington	4,947	205	4.1	4,742
Statewide	748,584	24,523	3.3	724,061

Southwestern Idaho Table 1: Boise City-Nampa MSA Labor Force & Employment (Ada, Canyon, Boise, Gem and Owyhee counties)

	Feb 2006*	Jan 2006	Feb 2005	% Change Last Month	% Change Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	291,400	287,000	280,200	1.5	4.0
Unemployment	8,600	7,900	10,600	8.9	-18.9
% of Labor Force Unemployed	3.0	2.8	3.8		
Total Employment	282,800	279,100	269,600	1.3	4.9
Unadjusted					
Civilian Labor Force	292,500	287,300	282,200	1.8	3.6
Unemployment	10,200	10,400	12,600	-1.9	-19.0
% of Labor Force Unemployed	3.5	3.6	4.5		
Total Employment	282,300	276,900	269,600	2.0	4.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**					
GOODS-PRODUCING INDUSTRIES	50,200	49,900	47,700	0.6	5.2
Natural Resources & Construction					
Construction	20,400	20,300	17,700	0.5	15.3
Manufacturing					
Durable Goods	23,700	23,500	23,400	0.9	1.3
Wood Product Manufacturing	2,000	2,000	2,100	0.0	-4.8
Fabricated Metal Products Mfg.	1,400	1,400	1,400	0.0	0.0
Machinery Manufacturing	1,200	1,200	1,300	0.0	-7.7
Computer & Electronic Manufacturing	13,800	13,700	14,400	0.7	-4.2
Transportation Equipment Mfg.	2,000	1,900	2,000	5.3	0.0
Other Durable Goods	3,300	3,300	2,200	0.0	50.0
Nondurable Goods	6,100	6,100	6,600	0.0	-7.6
Food Manufacturing	4,300	4,300	4,800	0.0	-10.4
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,100	1,100	1,100	0.0	0.0
SERVICE-PRODUCING INDUSTRIES	210,100	207,500	198,000	1.3	6.1
Trade, Transportation, & Utilities					
Trade	43,400	43,400	39,400	0.0	10.2
Wholesale Trade	11,900	11,800	11,000	0.8	8.2
Wholesalers, Durable Goods	7,300	7,200	6,700	1.4	9.0
Wholesalers, Nondurable Goods	3,300	3,300	3,400	0.0	-2.9
Retail Trade	31,500	31,600	28,400	-0.3	10.9
Food & Beverage Stores	4,400	4,400	4,100	0.0	7.3
General Merchandise Stores	6,300	6,500	5,900	-3.1	6.8
All Other Retail Trade	20,800	20,700	18,400	0.5	13.0
Transportation, Warehousing, & Utilities	7,300	7,200	6,900	1.4	5.8
Utilities	500	500	600	0.0	-16.7
Transportation & Warehousing	6,800	6,700	6,300	1.5	7.9
Information					
Telecommunications	5,200	5,200	5,000	0.0	4.0
Financial Activities					
Finance & Insurance	14,400	14,300	13,400	0.7	7.5
Real Estate & Rental & Leasing	10,100	10,000	9,100	1.0	11.0
Professional & Business Services					
Professional, Scientific, & Technical	4,300	4,300	4,300	0.0	0.0
Management of Companies & Ent.	37,000	36,600	35,800	1.1	3.4
Administrative & Support & Waste Mgmt.	11,300	11,300	10,800	0.0	4.6
Educational & Health Services					
Educational Services	31,900	31,400	30,800	1.6	3.6
Health Care & Social Assistance	3,100	2,600	2,900	19.2	6.9
Hospitals	28,800	28,800	27,900	0.0	3.2
Leisure & Hospitality					
Arts, Entertainment, & Recreation	9,300	9,300	9,200	0.0	1.1
Accommodation & Food Services	22,400	22,300	21,400	0.4	4.7
Accommodation	3,200	3,100	2,800	3.2	14.3
Food Services & Drinking Places	19,200	19,200	18,600	0.0	3.2
Other Services					
Food Services & Drinking Places	2,100	2,100	2,000	0.0	5.0
Other Services	17,100	17,100	16,600	0.0	3.0
Total Government					
Federal Government	7,200	7,200	6,200	0.0	16.1
State & Local Government	41,300	39,900	39,100	3.5	5.6
State Government	5,400	5,400	5,600	0.0	-3.6
State Government Education	35,900	34,500	33,500	4.1	7.2
State Government Administration	13,700	12,700	13,000	7.9	5.4
Local Government	4,900	3,900	4,700	25.6	4.3
Local Government Education	8,800	8,800	8,300	0.0	6.0
Local Government Administration	22,200	21,800	20,500	1.8	8.3
Local Government Education	14,100	13,700	12,700	2.9	11.0
Local Government Administration	8,100	8,100	7,800	0.0	3.8

* Preliminary Estimate

** Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Nonfarm payroll jobs in the region began rising in February after January's seasonal decline. About 2,900 jobs were added to payrolls in February, a monthly increase of 1.1 percent. Hiring resumed in the construction industry with another 100 new jobs. Manufacturing expanded by 200 jobs in computer and electronic products, reflecting the resurgence of the high-tech industry in southwestern Idaho, and in transportation equipment despite the shortage of welders that has plagued the area's industrial manufacturers. Seasonal factors in the service sector were primarily responsible for the new jobs there that accounted for most of the payroll increase. Employment agencies saw increased demand in February for high-tech, construction and manufacturing workers. Another 300 jobs were added in the administrative support and waste management sector. Education, past the holiday vacation period, increased payrolls by 1.1 percent. The start of a new semester was underscored by the addition of 1,400 government jobs in state and local education.

Between February 2005 and February 2006, 14,600 jobs were created in the metropolitan area, an increase of 5.9 percent that maintains the region's year-over-year trend of robust growth. The February 2006 civilian labor force and total employment figures for all 10 counties in southwestern Idaho are shown in Treasure Valley Table 2 on page 12.

AREA DEVELOPMENTS

Boise MSA

- According to the latest Manpower Employment Outlook Survey, 30 percent of the region's employers indicated they will be hiring during the second quarter. Approximately 64 percent of survey participants said they intended to keep employment levels steady and only 3 percent planned on reducing the number of employers. Industries doing most of the hiring are construction, utilities, wholesale and retail trade and transportation.
- New U.S. Census Bureau estimates ranked Canyon County the nation's 71st fastest growing county. The only other Idaho county making the list was Kootenai County, which came in at 69th. Canyon County's ranking was down from 2004's 45th.
- February's inflation rate in the metropolitan area rose a half a percentage point, according to the latest Wells Fargo Boise Area Cost of Living Report. Contributing most to the increase were utilities, which went up 4.2 percent, and transportation,

which rose 1.3 percent. Transportation costs in the region jumped 14 percent between September and February compared with just a 7.9 percent increase nationwide. By contrast, the area's utility costs went up 9.3 percent during that same period while utilities rose 18.7 percent nationally. The increase in southwestern Idaho utility bills was likely due to colder temperatures than normally experienced during the winter months.

- Home sales in Canyon County have been slowing in recent months. November was the last month that the number of homes sold increased from the previous month. Rising interest rates and the colder winter may be responsible. But despite the monthly declines in home sales since then, the numbers are still above year-ago levels. The median selling price also declined in February by \$1,500 to \$146,000.
- Ada County recently broke ground on a new addition to its landfill. The \$15.5 million North Ravine Cell should handle Ada County's solid waste removal needs for the next 100 years. Topsoil is being removed and the landfill area is being lined with a protective barrier to prevent leakage and ground contamination.
- Boise's Capital City Development Corp. recently announced a new developer for the Boise Tower project. Charterhouse Boise Downtown Properties LLC was chosen for the project, which it says will be renamed and could be under construction again within six months. The project is expected to cost between \$75 million and \$80 million and take two years to complete.
- Meridian will be the location of the newest Sierra Trading Post retail store. Sierra Trading Post buys name brand overstock items and sells them at discounted prices. The store plans to open in late 2006 in a new 25,000-square-foot building near Meridian's Home Depot store and employ about 20 people.
- Oregon-based G.I. Joe's, a retailer of outdoor sporting equipment, has announced plans to open two stores in Boise in the next three years. The company hopes to open the first store in summer 2007 and the second 12 to 18 months later. Once the 52,000-square-foot store opens, it will employ 55 full-time workers.
- Pending regulatory approval, Microsoft is buying Boise-based ProClarity Corp., a data analysis soft-

ware maker using Microsoft platforms. ProClarity employs 105 people in Boise, and Microsoft has said ProClarity operations will remain there. Before the acquisition, Microsoft and ProClarity shared over 1,200 customers including large corporations such as GE, Hewlett-Packard and AT&T.

- Nampa's Mercy Medical Center will open a new orthopedic floor on July 1. The 21-room, 20,000-square-foot area cost just over \$2 million. Mercy's current orthopedic center covers just 7,600 square feet.
- Construction activity in Ada County through the first two months of the year remained strong, contradicting forecasts of a slowdown in 2006. When comparing February 2006 with a year earlier, total permit value in Boise rose to \$35 million from \$31 million. In Meridian, the value was up \$1 million to \$52 million. Commercial construction led the way in Boise while single family homes dominated in Meridian, accounting for 94 percent of the total monthly value.
- The U.S. Department of Agriculture recently approved a \$10,000 grant for Gem County to conduct a feasibility study on a new hotel in the county or in Emmett. The hotel would employ about 15 people.

Valley County

- Tamarack Resort plans six eight-unit buildings for employee housing. The resort wants the units built over the summer so they can be rented to employees next ski season. Up to 290 employees work at the resort during the winter months.

Elmore County

- The dedication of the newly remodeled Mountain Home Public Library drew over 400 residents. The library has public computers as well as high-speed Internet access for those bringing their own computers. A Moxie Java is also located inside the library. A large meeting room is sectioned off so library patrons are not disturbed when it is being used. The meeting room can accommodate up to 45 people and is equipped with Internet access.

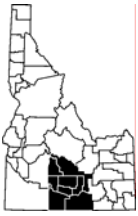
Washington County

- Construction is under way in Weiser on Idaho's first Bi-Mart store. The floor has been poured, and workers are putting up the walls. The city is using a \$360,000 Community Development Block Grant from the state to replace a sewer line to the new store. Once completed, Bi-Mart will employ about 50 people and provide benefits.

Adams County

- New Meadows recently extended for up to a year its moratorium on subdivisions of over 10 lots and on applications for zoning changes and annexations. City officials want time to upgrade infrastructure to accommodate further growth.
- With twice the snow it had a year ago, Brundage Mountain Resort has extended its daily operations by one week. If all goes well, the resort may stay open on weekends until the end of April.

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South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for February was 2.9 percent for the Twin Falls-Jerome Micropolitan Statistical Area. This was one-tenth of a percentage point higher than January but nine-tenths of a percentage point lower than February 2005. The civilian labor force increased from 46,800 in February 2005 to 55,010 in February 2006, up 17.5 percent. This is the second straight month the unemployment rate was lower than 3 percent in the Twin Falls-Jerome area.

Nonfarm payroll jobs increased by 13.3 percent, or 4,970, year-over-year. Once again, the construction sector showed the largest gain at 61.1 percent. New housing starts in the city of Twin Falls continued at a torrid pace, setting a record at 95 in March. Heavy road construction remained strong with the Pole Line Road corridor widening project and ground breaking for the new Church of Jesus Christ of Latter-day Saints temple. This 1½-year project will create 200 to 300 new construction jobs. However, Twin Falls is not the only city with construction increases. Jerome, Shoshone in Lincoln County and potentially Fairfield in Camas County appear to have strong housing development on the horizon. Construction shows no sign of slowing down, but it is doubtful that high double-digit increases in this sector can be maintained as jobs begin to reach equilibrium and workers become somewhat harder to find.

The winter tourism season has been magnificent for the Sun Valley area as well as other ski areas in the region. Very heavy snows everywhere made it a long ski season. Sun Valley remained open past mid-April, and all ski areas exceeded 2005 totals. In

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Feb 2006*	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	55,010	54,430	46,800	1.1	17.5
Unemployment	1,590	1,530	1,800	3.9	-11.7
% of Labor Force Unemployed	2.9	2.8	3.8		
Total Employment	53,420	52,900	45,000	1.0	18.7
Unadjusted					
Civilian Labor Force	54,170	53,350	46,260	1.5	17.1
Unemployment	1,970	1,960	2,220	0.5	-11.3
% of Labor Force Unemployed	3.6	3.7	4.8		
Total Employment	52,200	51,390	44,040	1.6	18.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	42,390	42,120	37,420	0.6	13.3
Goods-Providing Industries	9,170	8,880	6,620	3.3	38.5
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	3,690	3,400	2,290	8.5	61.1
Manufacturing	5,450	5,450	4,300	0.0	26.7
Food Manufacturing	3,710	3,710	2,710	0.0	36.9
Other Manufacturing	1,740	1,740	1,590	0.0	9.4
Service-Providing Industries	33,220	33,240	30,800	-0.1	7.9
Trade, Transportation & Utilities	10,450	10,500	9,220	-0.5	13.3
Wholesale Trade	1,590	1,600	1,610	-0.6	-1.2
Retail Trade	6,380	6,400	5,340	-0.3	19.5
Utilities	190	190	170	0.0	11.8
Transportation & Warehousing	2,290	2,310	2,100	-0.9	9.0
Information	630	650	600	-3.1	5.0
Financial Activities	1,860	1,840	1,760	1.1	5.7
Professional & Business Services	5,360	5,350	5,170	0.2	3.7
Educational & Health Services	3,120	3,120	2,900	0.0	7.6
Leisure & Hospitality	3,200	3,180	2,880	0.6	11.1
Other Services	1,440	1,440	1,310	0.0	9.9
Government Education	3,390	3,390	3,210	0.0	5.6
Government Administration	3,770	3,770	3,750	0.0	0.5

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Sun Valley, lodging capacity rates were in the mid-90 percent range this past winter ski season compared to the mid-80 percent levels a season earlier. Revenues have been strong in related service and retail areas.

Agriculture is always affected by the weather, and this year has been no exception. After suffering at least six years of severe drought, snow and moisture levels have been beyond most people's hopes this winter and spring with all snow pack areas in south central Idaho at 120 percent of normal or higher. But persisting rains may be turning it into "too much of a good thing." The good news is that there should be more than adequate water for all crop rotations in virtually every county in south central Idaho. In years past, some surface water irrigators have had to choose crops with shorter growing seasons such as hay,

corn and grains. Crops taking longer to mature such as sugar beets, potatoes and dry beans were problematic. But growers should have no problem in that area. The twist is that the area keeps getting heavy spring snow and rain storms that are keeping many farmers from planting. This could become a very serious problem if farmers remain unable to get into the fields. The margin for error is shrinking, eventually eliminating the chance to replant following frost, wind or other possible crop-damaging spring weather. That would leave farmers with substandard crops. Finally, one year of an abundant snow fall does not erase the lowering levels in the Eastern Snake River Plain Aquifer. Although ground moisture helps considerably, declining water levels can only be reversed through continued years of good moisture and good stewardship of groundwater. However, if the weather improves, the excellent ground moisture and adequate water levels could produce tremendous crops, and the better reservoir levels and lower fire danger could produce excellent recreational opportunities and a good summer tourism season.

AREA DEVELOPMENTS

Twin Falls County

- Ground was broken for the new temple for the Church of Jesus Christ of Latter-day Saints in Twin Falls on April 15. Church and civic leaders participated in the ceremony for the temple and stake center that should open in September 2007. About a thousand church members attended the invitation-only event. The 29,679-square-foot temple will be built on 4.9 acres in north Twin Falls. At 159.5 feet high, the temple will be the highest building in Twin Falls. It is expected to serve about 42,000 people in south central Idaho. At least 200 to 300 new construction jobs will be created.
- A plaster company with a patent on an Old World technique is moving into the Coca Cola buildings in Old Towne Twin Falls. Jacob Cavelli, owner of the Cavelli Corp., is leasing the two buildings from the Twin Falls Department of Urban Renewal. The buildings are a combined 20,702 square feet, and Cavelli will use the warehouses to produce and distribute Infinito, a decorative plaster that gives modern buildings a soft, aged look. He will also use the space for an office and a school to train people who want to learn how to use his product. Cavelli said that the Infinito product has the ability to blend up to eight colors at a time and has the additional benefit of a blending time as long as eight hours as compared to other plasters

that dry in 30 minutes. Infinito is easier to use and can save a contractor money by saving labor time.

Blaine, Camas, Gooding, Jerome and Lincoln counties

- The Idaho Legislature passed a two-year moratorium on building and permitting coal-fired electric generating plants. Several south central Idaho legislators, notably Sen. Clint Stennett of Ketchum, House Speaker Bruce Newcomb of Burley and Rep. Sharon Block of Twin Falls, worked aggressively to pass the legislation that calls for a special legislative committee to study the effects of various energy alternatives over the next two years and develop an energy plan. As a result, Idaho Valley Energy, a subsidiary of California-based Sempra Inc., withdrew its plans to build a 600-megawatt coal-fired generator in rural northern Jerome County. Sempra was planning a huge construction project that would have taken approximately five years to complete.
- Idaho Gov. Dirk Kempthorne declared flood disaster emergencies for Camas and Lincoln counties as Magic Reservoir spilled over in mid-April, causing flooding in the Big and Little Wood rivers. The Big Wood River has been particularly high and flooded in the Gooding area. A heavy snow pack and heavy early springs storms have brought many reservoirs everywhere in the Magic Valley to capacity and beyond. Residents in Gooding organized sandbagging efforts to protect public and private property.

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Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

The Pocatello Metropolitan Statistical Area's seasonally adjusted unemployment rate was 3.5 percent in February, unchanged from January. But the rate remained well below one year ago when it was 4.3 percent.

The region gained 500 nonfarm payroll jobs during the month. While goods-producing industries lost 110 jobs, the service sector gained 660. The loss of goods-producing jobs occurred in construction where harsh winter weather prevented new activity and in manufacturing where downsizing began at Ballard Kimberly-Clark.

The return to a regular school schedule after the holiday and semester breaks drove job gains in the service sector. Professional and business services posted job gains primarily because of inventory and tax preparation activities. Job activity followed normal seasonal patterns except for the permanent manufacturing job losses at Ballard Kimberly-Clark. Those jobs will be phased out over the next year as the business moves production to Mexico.

SPECIAL TOPIC: Population Trends

New estimates from the U.S. Census Bureau show the population of southeastern Idaho grew nearly 1 percent from mid-2004 to mid-2005. The population increased from 158,622 to 159,334 for a gain of 712. Southeastern Idaho experienced slow population growth compared to 2.4 percent estimated statewide. Idaho was the third fastest growing state in the nation behind Nevada and Arizona. The U.S. grew 0.9 percent. Southeastern Idaho's growth was also slow when compared to other regions of the state.

Net out-migration kept southeastern Idaho's population growth at a minimum because 919 more people moved out of the area than moved in. Southeastern Idaho Graph 1 on page 18 shows population changes in the seven southeastern Idaho counties from 2000 and 2004. In 2005, the counties with the highest rate of growth were Franklin and Oneida with 1.8 percent and 1.9 percent, respectively. Two counties lost population; Bear Lake County fell 1.2 percent and Caribou County declined 1.3 percent.

From 2000, the counties with the highest rate of growth were Franklin at 8.9 percent and Bingham at 4.6 percent. Caribou County

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment
Bannock and Power counties

	Feb 2006*	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	44,860	44,080	44,640	1.8	0.5
Unemployment	1,590	1,540	1,910	3.2	-16.8
% of Labor Force Unemployed	3.5	3.5	4.3		
Total Employment	43,270	42,540	42,730	1.7	1.3
Unadjusted					
Civilian Labor Force	45,880	44,740	45,790	2.5	0.2
Unemployment	1,980	1,980	2,370	0.0	-16.5
% of Labor Force Unemployed	4.3	4.4	5.2		
Total Employment	43,900	42,760	43,420	2.7	1.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	38980	38430	38170	1.4	2.1
Goods-Producing Industries	5390	5500	5260	-2.0	2.5
Natural Resources & Mining	20	20	20	0.0	0.0
Construction	2100	2130	1940	-1.4	8.2
Manufacturing	3270	3350	3300	-2.4	-0.9
Food Manufacturing	950	940	950	1.1	0.0
Fabricated Metal Product Manufacturing	140	140	150	0.0	-6.7
Machinery Manufacturing	80	80	80	0.0	0.0
Other Manufacturing	2100	2190	2120	-4.1	-0.9
Service-Providing Industries	33590	32930	32910	2.0	2.1
Trade, Transportation & Utilities	7300	7320	7040	-0.3	3.7
Wholesale Trade	1360	1340	1300	1.5	4.6
Retail Trade	4510	4550	4270	-0.9	5.6
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1380	1380	1420	0.0	-2.8
Information	760	760	730	0.0	4.1
Financial Activities	2130	2130	2070	0.0	2.9
Professional & Business Services	4950	4790	4680	3.3	5.8
Educational & Health Services	3440	3390	3230	1.5	6.5
Leisure & Hospitality	3230	3280	3430	-1.5	-5.8
Other Services	1210	1190	1200	1.7	0.8
Government Education	6130	5680	6190	7.9	-1.0
Government Administration	4440	4390	4340	1.1	2.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

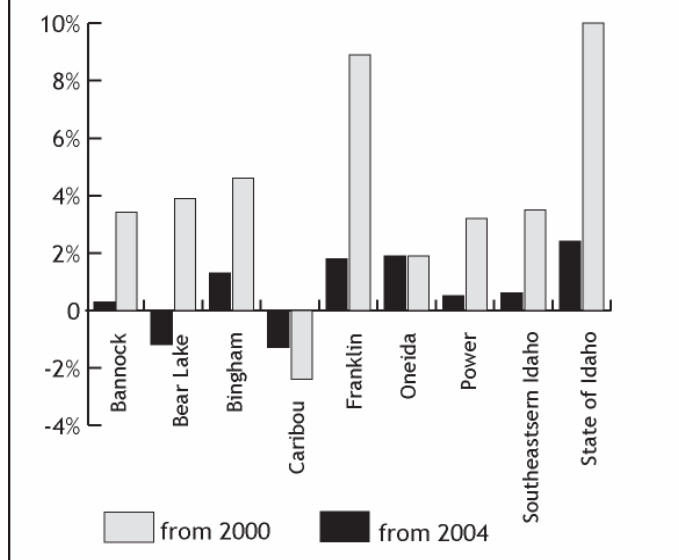
was the only county to experience a decline in its population between 2000 and 2005, dropping 2.4 percent

Population fluctuations in Bannock, Bear Lake, Caribou and Power counties occurred mainly because of the loss of family-wage jobs that forced people to find suitable employment elsewhere. Population increases in Franklin and Bingham counties mainly reflected migration from the Idaho Falls and Logan, Utah, areas to take advantage of lower property values and a more rural lifestyle.

2005 Area Construction

Final 2005 construction report from Wells Fargo Bank showed construction in southeastern Idaho increasing 18.3 percent from 2004.

Southeastern Idaho Graph 1: Population Growth Rates, 2000 to 2005 and 2004 - 2005



The report provides data on Bannock, Bingham, Franklin and Power counties and the cities of Montpelier and Soda Springs.

Construction values exceeded \$174 million last year and provided excellent job opportunities for construction workers throughout the region. Southeastern Idaho Graph 2 shows the rate of change in total construction for each of the reporting areas and Southeastern Idaho Graph 3 shows the rate of change in residential and commercial construction for each. The region's construction growth, while still brisk, fell short of that experienced statewide because of activity in high-growth areas.

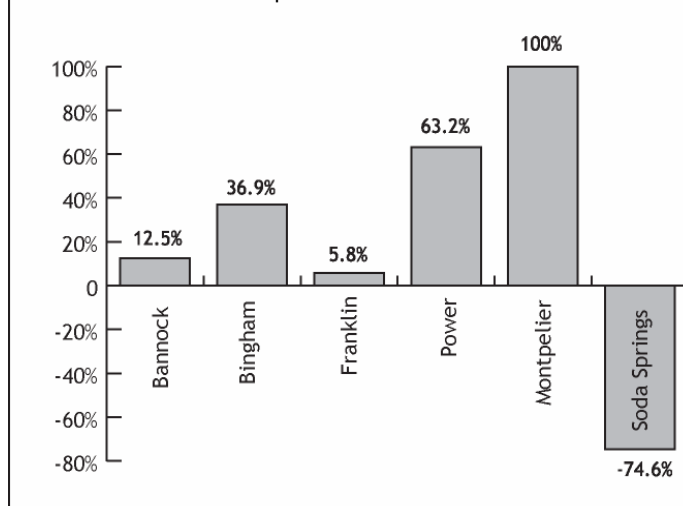
Even though the amount of construction activity in Bannock County in 2004 was extremely high because of several large commercial construction projects, the county still managed to increase its construction activity by over 12 percent in 2005. Residential construction increased 14 percent and commercial construction increased 19 percent. Several more residential and commercial projects have started or are planned to start in 2006 so the county should enjoy continued strong construction activity throughout this year.

Bingham County experienced phenomenal construction activity in 2005. An increase of nearly 40 percent over the year was driven mostly by commercial construction. Residential construction grew 35 percent, an impressive gain but still far lower than commercial construction, which grew 63 percent. Several new residential subdivisions are planned, and construction of Premier Technology's new facility near Blackfoot should provide plenty of work throughout 2006.

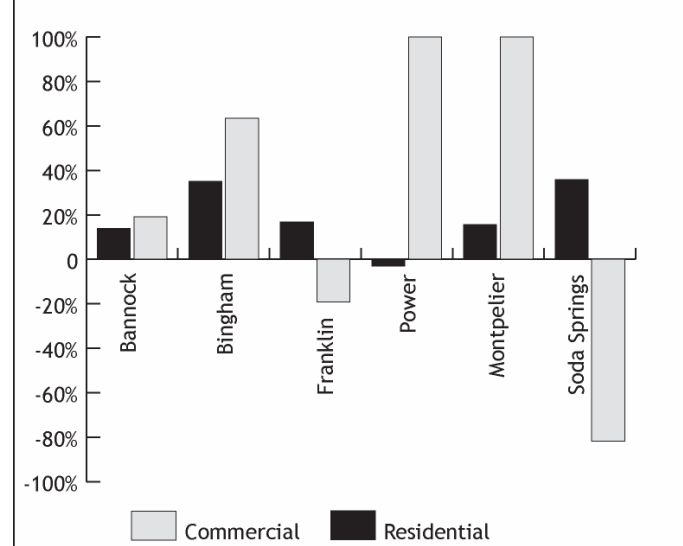
Franklin County's construction activity increased 5.8 percent in 2005 over 2004. Growth was mainly in residential construction, which increased nearly 20 percent. As cities within the county continue to make infrastructure improvements to accommodate residential and commercial growth, construction should continue to improve this year.

Power County saw commercial construction more than double during 2005 while residential construction activity fell just over 3 percent. More commercial construction projects are planned for 2006, and with a slight increase in residential construction the county will likely show growth this year.

Southeastern Idaho Graph 2: Total Construction 2004-2005



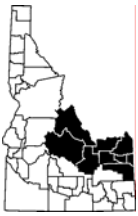
Southeastern Idaho Graph 3: Commercial-Residential Construction Growth, 2004-2005



Remodeling and expansion projects at Bear Lake Memorial Hospital drove Montpelier's commercial construction activity up more than 100 percent in 2005. Residential construction began to pick up last year as employment in the area grew. With a higher number of people working, residential construction will likely improve in 2006.

Soda Springs was alone in reporting reduced construction activity in 2005 from 2004. In 2004, Caribou County built a new jail in Soda Springs, which pushed construction activity up. But without another large project last year, activity fell by more than \$3 million. Residential construction managed to increase slightly over the year. The loss of mining and manufacturing jobs throughout Caribou County led to a decline in its population base and kept new construction at a minimum. But as the county adjusts to structural economic changes, residential and commercial construction should begin to improve.

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East Central Idaho News

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON & TETON COUNTIES

ECONOMIC TRENDS

The unemployment rate for Idaho Falls Metropolitan Statistical Area increased one-tenth of a percentage point over the month to 2.6 percent for February as seen in East Central Idaho Table 1. Year-over-year, the unemployment rate decreased six-tenths of a percentage point. The year-over-year decrease comes with an increase of 3,700 people working, higher than the increase in the number of people looking for work. With population increasing steadily in the two-county area and new businesses continually springing up, the region seems to be maintaining balance. Individually, Bonneville County posted a rate of 2.6 percent while Jefferson County was at 2.8 percent. Idaho Falls, the largest city in the metropolitan area, showed a rate of 3 percent, the same as the previous month and down half a percentage point from the same time last year.

While all the rural counties except Fremont in the larger east central Idaho area saw their unemployment rates increase slightly over the month, those nine counties posted lower rates than a year earlier with Custer, Lemhi and Clark counties showing the largest decreases at over a full percentage point each. Madison and Teton counties were the lowest at 2.1 percent and 2.3 percent, respectively. Winter and spring-like weather took turns hitting the area over the past four months, allowing more construction activities than normal. Resort and mountain areas received plenty of snow and had good skiing seasons. Also, consumer confidence is relatively strong, helping to fuel the robust economy in most counties.

East Central Idaho Table 1: Idaho Falls MSA Labor Force & Employment
Bonneville and Jefferson counties

	Feb 2006*	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	63,610	61,850	60,180	2.8	5.7
Unemployment	1,670	1,570	1,900	6.4	-12.1
% of Labor Force Unemployed	2.6	2.5	3.2		
Total Employment	61,940	60,280	58,280	2.8	6.3
Unadjusted					
Civilian Labor Force	62,350	61,050	59,180	2.1	5.4
Unemployment	2,160	2,090	2,450	3.3	-11.8
% of Labor Force Unemployed	3.5	3.4	4.1		
Total Employment	60,190	58,960	56,730	2.1	6.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	52,990	52,590	46,280	0.8	14.5
Goods-Producing Industries	6,890	6,930	6,140	-0.6	12.2
Natural Resources & Mining	30	30	40	0.0	-25.0
Construction	3,660	3,660	3,050	0.0	20.0
Manufacturing	3,200	3,240	3,050	-1.2	4.9
Food Manufacturing	1,110	1,130	1,010	-1.8	9.9
Fabricated Metal Product Manufacturing	210	220	210	-4.5	0.0
Machinery Manufacturing	150	140	160	7.1	-6.3
Other Manufacturing	1,730	1,750	1,670	-1.1	3.6
Service-Providing Industries	46,100	45,660	40,140	1.0	14.8
Trade, Transportation & Utilities	13,220	13,210	12,650	0.1	4.5
Wholesale Trade	4,180	4,120	3,840	1.5	8.9
Retail Trade	7,420	7,460	7,290	-0.5	1.8
Utilities	50	50	50	0.0	0.0
Transportation	1,570	1,580	1,470	-0.6	6.8
Information	1,150	1,130	1,130	1.8	1.8
Financial Activities	2,090	2,100	1,970	-0.5	6.1
Professional & Business Services	9,710	9,530	5,230	1.9	85.7
Educational & Health Services	6,870	6,820	6,380	0.7	7.7
Leisure & Hospitality	4,260	4,250	4,020	0.2	6.0
Other Services	2,010	1,940	1,980	3.6	1.5
Government Education	3,660	3,560	3,580	2.8	2.2
Government Administration	3,130	3,120	3,200	0.3	-2.2

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

AREA DEVELOPMENTS

Bonneville County

- Taylor Crossing on the River, the professional-retail-business development on the Snake River, will see more growth this year than all the years to this point. Besides announcing the opening of a second Sizzler in Idaho Falls by the end of the year, McNeil Development will also bring in a second Bajio Grill, a steakhouse, fish restaurant and pizzeria. Mountain View hospital just announced it is

going to lease space in the development for several medical facilities. An urgent care center will likely open within the next three months followed by an imaging center and “executive” clinic similar to a doctor timeshare where physicians can lease offices during the week. The development company is currently breaking ground on a 20,000 square-foot reception and conference center by the river. A high-tech conference center in the lower level will have fiber optics capable of simulcasting to remote locations. Work could start on a hotel in the fall. All this is in addition to the nine buildings already constructed or being built amid breathtaking waterways and splashing fountains. Not bad for a couple of farmers who started out with a vision.

- The Southern Belle Bake Shoppe is now in Idaho Falls. Louisiana native owner Cindy Head moved to the area with her husband three years ago with a dream to share her great southern delectables. All her baked goods are made from scratch including her specialty pecan bars and pecan pralines.
- It’s official. The Olive Garden is being built in Idaho Falls near the Interstate 15 exit where JB’s previously stood. Site plans have been received by the city and should be approved by May. This is a deal that has been in the works for at least three years. This section of town was once industrial, and developments over the past year have been changing that look. Olive Garden will finish out the corner lot that is now just dirt next to the Fairfield Inn and Super Wal-Mart, leading into Taylor Crossing on the River.
- The Idaho Falls Regional Airport announced that in June United Airlines will partner with Skywest to offer direct flights twice a day to Denver. Demand is high for this since a contractor for the Idaho National Laboratory has offices in Denver. This flight will eliminate a plane change or layover in Salt Lake City. A \$500,000 Small Community Air Service grant received last year helped make the flight available. Just last year, the airport received two new carriers; Allegiant Air offering direct flights to Las Vegas and Northwest Pinnacle Airlink with direct flights to Minneapolis.
- Construction continues at a galloping pace. Bonneville County residents spent \$325 million building homes and commercial buildings in 2005, up 32 percent from the previous year. Permits increased 13.9 percent to 3,390 over the same

time period. Costs for construction have risen dramatically over the past few years. Steel prices were up 4.2 percent, plastics up 20.6 percent, cement 12.3 percent and gypsum wallboard up 15.3 percent from 2004 to 2005. A house that cost \$100,000 a year ago would likely have gone up to \$135,000 or more now. Cement is on a backorder list for up to two weeks due to heavy demand following last year’s hurricanes and China’s expanding economy. But increases have done little to slow the pace of construction. Continued low interest rates and affordable properties keep contractors going strong. New subdivisions are being started while others are expanding. Younger couples and out-of-staters who have discovered the area are leading the buyers along with the locals who just want a change.

Madison County

- The Madison School District is using money from the \$1.1 million annual plant facility levy passed last year by taxpayers to add bathrooms and classrooms to Lincoln Elementary, the fastest-growing area of the school district. Several additional projects are in the works for the district that has averaged a growth of 75 students a year for the past four years and has already added 60 students during the first quarter of this year. Burton Elementary will be getting a new building, remodeling will be done at Lyman Elementary, additions are going in at Archer Elementary and many maintenance projects will be completed.
- Sugar City lost its biotech company to Logan, Utah. Caisson Laboratories merged with Apomyx, Inc. two years ago and the move finalized the merger. Caisson, known as Gemini since the merger, produces micropropagation fertilizer that enhances the cloning of plants and helps produce basic animal tissues. A plant could be cloned from a piece of leaf or an organ could be grown from a sample of animal tissue. Major markets are India, Canada and South Korea. The company had outgrown its Sugar City location. It moved from a 1,600 square-foot building to a 10,000 square-foot building and was under the same roof as its sister company. Three of the 12 employees moved with the company.

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Enhancing Employment Opportunities for Ex-Offenders: A Survey of Idaho Employers

Wholesale traders and manufacturers are more likely than their counterparts in most other industries to hire ex-prison inmates, and nearly all potential employers place high value on showing up for work on time, putting in a full day for a full-day's pay and being principled when they consider hiring an ex-convict, according to a new report.

The report, issued by Idaho Commerce & Labor, also found that the job-search success of ex-felons is closely linked to economic conditions — jobs are much easier to come by in a strong economy than they are in a weakening one.

In late 2005, a multi-agency research effort was launched to measure how receptive Idaho employers are to hiring ex-offenders — individuals that have been incarcerated or have criminal records. The participating agencies were the Idaho State Police, the Idaho Department of Correction in coordination with the Division of Correctional Industries and Idaho Commerce & Labor.

Using a mail survey from an industry stratified random sample of employers, the collaborators sought insight into how to increase an offender's chance of being hired upon release from prison. Survey questions pertained to what occupations employers would consider hiring an ex-offender to perform, the ex-offender's level of skills and whether a federal bonding program would influence the hiring decision.

The last section of the survey solicited suggestions from employers on how ex-offenders could increase their chances of being hired. A total of 922 surveys were sent to employers throughout Idaho. However, 85 employers were found to be ineligible for participation in the study for several reasons including business relocation or closure. The response rate

was 29 percent. There was no further follow up. The findings represent statistical significance with 95 percent confidence and a margin of error of ± 6.3 points.

Importance of skills. Employers were asked to rate the importance of 10 skills to their organization. The majority, more than 90 percent, indicate it is important for an employee to be to work on time and be an ethical, hard-working team player. From the rest of the skills listed in FYI Table 1, employers indicate the least important involves written communication skills.

One skill or attribute not identified on the list but that employers cite as important in the suggestions section is **personal appearance**. Of the 121 respondents who made suggestions on what would increase an ex-offender's chances of being hired, 24 percent suggest looking clean and neat. Fourteen percent cite honesty as an important attribute, 8 percent a good work ethic and 5 percent dependability. Other suggestions include being properly trained, learning interview skills, regular drug testing and the exercise of close supervision by authorities.

The survey solicited information on whether the employer would consider hiring an ex-offender in each of 31 areas where vocational programs are currently offered or under consideration at correctional facility schools throughout Idaho. The majority of employer respondents indicate their company would consider hiring an ex-offender for most positions applicable to their industry. About three of every four employers indicate their company would consider hiring an ex-offender in at least one of the 31 job categories. About one in four employers indicate they would not consider hiring an ex-offender.

FYI Table 1: Level of Importance for Employee's Skills

Skill	Sample Size	Not Important %	Neutral %	Important %
Being on Time to Work	238	0.8	-	99.2
Full Day's Work for a Full Day's Pay	238	0.8	0.8	98.3
Ethical	236	0.8	2.1	97.0
Politeness	239	2.5	3.8	93.7
Team Player	239	0.8	7.5	91.6
Loyalty to the Company	237	1.3	8.4	90.3
Friendliness	238	2.1	10.1	87.8
Oral Communication Skills	239	1.7	11.3	87.0
Professional Language	239	3.3	13.0	83.7
Written Communication Skills	235	6.8	26.0	67.2

Job categories. FYI Table 2 lists job categories for which employers would consider hiring an ex-offender. Welding is the most promising occupation at 86.8 percent, small engine repair at 80.8 percent and landscaping at 79.3 percent. Other occupations with relatively high hiring potential are in the construction industry such as laborers and floor covering installers, manufacturing, warehousing, transportation and maintenance-related industries.

The occupations employers are least likely to hire ex-offenders for are in clothing production at 42.9 percent, video/media producer at 36.8 percent and library clerk and literacy tutor, both at zero. A group of employers were purposely excluded from the survey given the presumed inability, legal or otherwise, to hire ex-offenders. This group included schools, medical and veterinary services, pharmaceuticals, banking, security and child care centers.

Jobs by industry. Employers from the wholesale trade industry are more likely to consider hiring ex-offenders for

at least one job category. Organizations in the professional, scientific and technical services sector, detailed in FYI Table 3 on page 23, are the least likely to consider hiring an ex-offender for any job listed. The expectations from potential employees in this industry are based on higher skills or experience attained through formal education.

Job outlook. Two elements are necessary for an occupation to be favorable for ex-offenders — an employer's willingness to hire and the outlook for the job.

An employer's willingness to hire is measured in FYI Tables 1 through 3 while specific job outlooks are described further in this article. The job outlook complements the employer's willingness to hire ex-offenders. After release, ex-offenders may find that good jobs for which they were trained are no longer available for a variety of reasons, including those directly related to the strength of the economy — low turnover or low job growth.

FYI Table 2: Would Consider Hiring an Ex-Offender for Each Job Category

Occupations	Survey Sample	Would Hire Ex-Offenders?	% Employers Would Hire Ex-Offenders
Trade & Industry			
Welding	68	59	86.8
Small Engine Repair	26	21	80.8
Carpentry	35	27	77.1
Plumbing	26	20	76.9
Building Maintenance	79	60	75.9
Commercial Driving	58	43	74.1
Framing	19	14	73.7
Electrical Wiring	31	21	67.7
Commercial Cleaning	40	27	67.5
Launderer	11	7	63.6
Drywalling	14	8	57.1
Cabinetry	35	15	42.9
Clothing Production (manufacturing)	7	3	42.9
Horticulture			
Landscaping	29	23	79.3
Master Gardener	11	6	54.5
Computer-Related			
General Office Clerk	126	76	60.3
Data Entry Specialist	88	53	60.2
Data Entry Specialist	95	57	60.0
General Office Clerk	123	71	57.7
Call Center Receptionist	42	24	57.1
Computer Support/Repair	76	43	56.6
Secretary/Admin Asst.	116	63	54.3
Video/Media Producer	116	63	54.3
Desktop Publisher	44	23	52.3
Hospitality			
Hotel/Restaurant Customer Service	26	20	76.9
Food Service--Cook	27	20	74.1
Food Service--Dishwasher	21	15	71.4
Food Service--Preparer	24	17	70.8
Tourism	12	8	66.7
Other			
Library Clerk	5	0	0.0
Literacy Tutor	6	0	0.0

FYI Table 3: Industry Sector and Willingness to Consider Hiring an Ex-Offender

Industry Sector	Survey Sample	Would Hire Ex-Offenders?	% Employers Would Hire Ex-Offenders
Wholesale Trade	20	18	90.0
Real Estate and Rental and Leasing	9	8	88.9
Other Services (except Public Administration)	23	20	87.0
Manufacturing	51	44	86.3
Accommodation and Food Services	7	6	85.7
Administrative & Support & Waste Management & Remediation	12	10	83.3
Construction	32	26	81.3
Arts, Entertainment, and Recreation	8	6	75.0
Retail Trade	29	21	72.4
Transportation and Warehousing	9	6	66.7
Professional, Scientific, and Technical Services	25	12	48.0
Educational Services	2	---	---
Health Care and Social Assistance	4	---	---
Information	4	---	---
Utilities	1	---	---
All Industries	236	188	79.7
--- very small sample size			

Trade occupations are most favorable to ex-offenders — building maintenance and construction, welding and commercial driving. The term favorable is defined as the willingness of at least 70 percent of employers who have the occupation to hire an ex-offender if the outlook is good for that job.

The entry wage for building maintenance workers, janitors and cleaners is \$6.84 an hour with an average wage of \$9.49. The outlook for building and grounds cleaning and maintenance occupations is expected to grow about as fast as the average growth rate for all jobs through 2010.

An entry level welder can expect to earn \$10.63 an hour. The average wage for this type of work is \$14.97 an hour. Current demand for welders, solderers and brazers and the anticipated strong growth for the next few years make the job prospects for these occupations excellent for skilled workers.

Job opportunities are also positive for commercial driving occupations. These occupations are amongst the occupations with larger number of job openings each year, both from industry growth and from turnover. An entry level worker driving heavy trucks or tractor-trailers can expect to earn \$9.67 an hour. The average wage for this job is \$14.41 an hour.

A general office clerk is the only position not in the trade and industry group for which prospects for ex-offenders are favorable. Even with employers about evenly split on hiring ex-offenders, these jobs experience high turnover and are

expected to grow at about the same rate as all occupations through 2010. While this is an entry-level administrative support position, familiarity with office equipment, basic computer skills and typing skills give potential employees an advantage. The entry wage for this position is \$8.12 an hour with an average wage of \$11.66 an hour.

Small engine repair, electrical wiring, drywalling, other office-related occupations, clothing production and laundering offer the least favorable job outlook for ex-offenders. In general, employers in these occupations indicate they would consider hiring ex-offenders, but the potential for ex-offenders to actually find employment is reduced because the pool of employers in these occupations is so small or these occupations are traditionally managed under subcontracts or self employment. FYI Table 4 on page 24 provides a detailed outlook for some other specific occupations.

Most occupations in the hospitality sector offer ex-offenders the most favorable employment opportunities given the large pool of employers, but these occupations also represent the low end of the wage scale.

Additional occupations. About half the survey respondents wrote in the “other occupations section” that they would consider hiring ex-offenders mostly in construction-related trades, sales, manufacturing, warehousing, animal care and as general laborers, machinists, housekeepers, farm workers, drivers, mechanics and painters.

Federal bonding. The availability of a bonding program offered by the federal government did not increase a re-

FYI Table 4. Other Occupations, Availability, Hiring Potential and Wage Outlook

Occupation Group	Entry Wage \$/Hr	Average Wage \$/Hr	% Growth Rate	Annual New Jobs	Job Availability	Hiring Potential	Wage Level
All occupations-statewide			2.3	29,377			
Framing/Construction Carpentry	10.26	16.19	3.0	234	High	High	Good
Small Engine Repair	9.46	11.92	2.0	9	Low	High	Good
Plumbing (Helper)	8.29	11.37	3.3	36	Low	High	Good
Electrical Wiring (Helper)	9.17	13.45	4.2	9	Low	High	Good
Data Entry Specialist	8.11	12.23	0.4	22	Low	Low	Good
Secretary	6.99	10.73	1.7	221	High	Low	Good
Sr. Secretary/Admin Asst.	10.75	14.81	0.7	181	High	Low	Good
Video/Media Producer*	6.33	13.34	2.0	116	Low	Low	Good
Computer Support	13.42	18.97	3.2	109	Low	Low	Good
Computer Repair	11.66	16.27	2.2	18	Low	Low	Good
Food Service—Cook/Food Preparer	6.36	8.45	1.9	141	High	High	Low
Hotel/Restaurant Customer Service							
--- Food & Beverage Servers	6.03	6.94	2.8	687	High	High	Low
--- Hotel Clerks	6.56	8.15	2.1	71	Low	Low	Low
* Media & Communication Equipment Workers							

spondent's willingness to consider hiring an ex-offender. A flier with information on federal bonding at no cost to the employer was attached to the survey. Seventy-five percent of employers responded they would consider hiring an ex-offender if a bonding program were available and 25 percent said they would not.

Employers from southeastern Idaho seemed most likely to hire ex-offenders if federal bonding is available in industries such as arts, recreation, accommodation and food services, manufacturing, services and wholesale and retail trade. Employers from southwestern Idaho would consider the use of federal bonding mainly in mining, construction and services. The east central employers would consider hiring with federal bonding in services and manufacturing but not in arts, recreation or food services. Employers in northern Idaho are the least likely to use federal bonding to hire ex-offenders in all but the services industry.

The idea of federal bonding is better received by respondents whose firms employ fewer than 50 employees. Overall, firms employing more than 500 employees were generally more receptive to the idea of hiring ex-offenders without the use of federal bonding than were smaller firms.

Impact of Idaho's economy and survey results. Survey results indicate a high disposition on the part of Idaho employers to hire ex-offenders. As Idaho's economy continues to grow and the need for workers increases, labor shortages may occur in high demand occupations and ex-offenders may become a more suitable labor pool. As the economy slows down and the demand for workers decreases, the results from this survey may not reflect the same disposition toward hiring ex-offenders. Consequently, to further explore how receptive an employer is to hire ex-offenders, additional study is needed when the pool of potential workers increases and employers have labor force options.

We recommend replicating this study in a few months if and when unemployment rates start going up to determine the type of occupations favorable to ex-offenders and the type of training they need to be hired during weakening economic times.

TASKS BY AGENCY

- **Survey instrument:** Idaho Department of Corrections and Division of Correctional Industries
- **Survey administration:** Idaho Commerce & Labor
- **Data entry and quality control:** Idaho State Police
- **Analysis and final report:** Idaho State Police and Idaho Commerce & Labor

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Metropolitan Statistical Areas (MSA): Combinations of counties in which at least half the residents live in an urban center of 50,000 or more and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MSAs. Idaho has five MSAs: Boise MSA including Ada, Canyon, Boise, Gem and Owyhee counties; Bonneville MSA including Bonneville and Jefferson counties; Pocatello MSA including Bannock and Power counties; Lewiston MSA including Nez Perce County and Asotin County, Wash.; Coeur d’Alene MSA including Kootenai, Boundary, Bonner, Benewah and Shoshone counties.

Micropolitan Statistical Area (MicSA): Combinations of counties in which at least half the residents live in urban

centers totaling at least 10,000—or 5,000 living in a single urban center—and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MicSAs. Idaho has three MicSAs: Burley MicSA including Cassia and Minidoka counties; Rexburg MicSA including Madison and Fremont counties; Twin Falls MicSA including Twin Falls and Jerome counties.

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Small Labor Market Areas (SLMA): Combinations of counties with significant ties through commuting patterns but no urban centers with populations of 10,000 or more. The Office of Management and Budget designates the SLMAs. Idaho has two SLMAs: Hailey SLMA including Blaine and Camas counties; Grangeville SLMA including Lewis and Idaho counties.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.

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